



Irish Life

PENSIONS • INVESTMENTS • LIFE INSURANCE



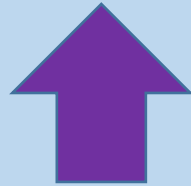
BUDGET 2019

ADVISORY SERVICES UPDATE

This is not a customer document and is intended for Financial Advisers only

FEW PENSION CHANGES IN BUDGET

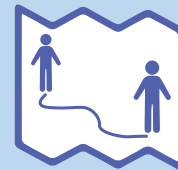
SOCIAL WELFARE €5 INCREASE



- State Pension (Contributory) €12,911 from March 2019

AMRF / €12,700 Guaranteed Income Requirement

- Full rate State Pension now exceeds €12,700 requirement
- 100% Christmas bonus restored for 2018
- Those receiving full rate State Pension cannot have AMRF
- AMRF will change to ARF in 2018 – no new policy needed
- Such clients need to provide evidence of State Pension
- AMRF remains for some, e.g. if below State Pension age and no other pension or not on full rate State Pension



NO CHANGE ON

- Income tax relief on pension contributions
- Tax exemption on pension investment income
- €200,000 tax free retirement lump sum
- AMRF limit of €63,500
- Guaranteed income requirement of €12,700



LIMITED CHANGES TO CAPITAL ACQUISITIONS TAX

CAPITAL ACQUISITIONS TAX (CAT)



GROUP THRESHOLDS

GROUP 1 - INCREASED TO €320,000 FROM €310,000

GROUP 2 - REMAINS AT €32,500

GROUP 3 - REMAINS AT €16,250

Effective from 10 October 2018

NO CHANGE TO TAX RATE

33% TAX RATE AFTER THRESHOLDS



NO CHANGE TO PROTECTION, SAVINGS & INVESTMENTS

GOVERNMENT LEVY AND EXIT TAX



GOVERNMENT LEVY (STAMP DUTY) 1%



EXIT TAX 41% - PERSONAL INVESTORS



EXIT TAX 25% - CORPORATE INVESTORS

TAX TREATMENT OF DEATH BENEFITS



**NO CHANGE TO TAXATION
TREATMENT OF DEATH BENEFITS
PAYABLE FROM PROTECTION PLANS**



This means there are no changes to the all important 'family protection' contracts you put in place to secure your clients families' future in the event of an untimely death.

OTHER ITEMS OF INTEREST

EMPLOYER PRSI



- Income threshold for the higher rate employer PRSI increasing to €386 pw (€20,072 a year)
- Employer PRSI rate increases by 0.1%

USC CHANGES

- 4.75% rate reduced to 4.5%
- 2% band ceiling up €502 to €19,874



BETTING DUTY



Increase in betting duty from 1% to 2%

INCOME TAX BANDS



€750 INCREASE

TO THE STANDARD RATE INCOME TAX BANDS FOR ALL EARNERS



CIGARETTES

Excise duty on a packet of 20 cigarettes being increased by €0.50 from midnight 9 October



MORTGAGE INTEREST RELIEF



Full offset available to landlords for interest paid in respect of loans used to purchase, improve or repair a residential property from January 2019

INCOME TAX, PRSI & USC

| Income Tax | 2019 |
|--|----------------------|
| Income Tax Rates | |
| Standard Rate | 20% - |
| Higher Rate | 40% - |
| Standard Rate Bands | |
| Single Widowed | |
| No dependent children | €35,300 ↑ |
| With dependent children | €39,300 ↑ |
| Married - one income | €44,300 ↑ |
| Married - two incomes | €44,300 + increase ↑ |
| <i>Increase is the lower of €26,300 and income of lower earning spouse</i> | |

| PRSI Rates | 2019 | | |
|---|-----------|-----------|---|
| Individual | A1 | S1 | |
| All income | 4% | 4% | - |
| Earnings less than €352 pw exempt | | | |
| Employer | | | |
| Income up to €20,072 | 8.7% | ↑ | |
| Income exceeding €20,072 | 10.95% | ↑ | |
| <i>Income threshold for higher rate employer PRSI increasing to €386pw (€20,072 a year)</i> | | | |

| USC Rates | Employee | Self Employed | |
|---|-----------------|----------------------|---|
| Income up to €12,012 | 0.5% | 0.5% | - |
| Between €12,012 and €19,874 | 2% | 2% | - |
| Between €19,874 and €70,044 | 4.5% | 4.5% | ↓ |
| Between €70,044 and €100,000 | 8% | 8% | - |
| Income in excess of €100,000 | 8% | 11% | - |
| <i>Total income less than €13,000 is exempt from the USC</i> | | | |
| Full Medical Card Holders & Over 70s | Employee | Self Employed | |
| Income up to €12,012 | 0.5% | 0.5% | - |
| Income in excess of €12,012 | 2% | 2% | - |
| <i>Those with earnings greater than €60,000 will pay the normal USC rates</i> | | | |

For more information see www.revenue.ie









OTHER TAXES







| Capital Acquisitions Tax | | |
|---|--|---|
| Group A | €320,000 (child) | ↑ |
| Group B | €32,500 (lineal ancestor / descendent, brother, sister or child of brother / sister) | - |
| Group C | €16,250 (others) | - |
| <i>The thresholds apply to all gifts and inheritances received since 5 December 1991</i> | | |
| Tax Rate on all gifts / inheritances above thresholds | 33% | - |
| Annual Gift Exemption | €3,000 | - |
| <i>The annual small gift exemption can be availed of regardless of the relationship between the disponent and the beneficiary. The exemption is limited to one gift per beneficiary from each disponent in a calendar year. It does not impact on the CAT thresholds noted above.</i> | | |

| Savings & Investment Tax | 2019 |
|--|-------|
| DIRT | 35% ↓ |
| Life Assurance Exit Tax | |
| ➤ Personal Plans | 41% - |
| ➤ Corporate owned | 25% - |
| ➤ Wrapper products | 60% - |
| <i>No changes announced in the Budget to DIRT or Exit Tax rates, we await details of Finance Bill for confirmation of any changes.</i> | |

For more information see www.revenue.ie

SOCIAL WELFARE BENEFITS

| State Pension Benefits | March 2019 |
|--|---|
| State Pension (Contributory) | |
| Personal Rate | €248.30  |
| Personal Rate + Adult dependent (over 66) | €470.80  |
| Widow / Widowers under 66 | €208.50  |
| State Pension (non-Contributory) | |
| Personal Rate | €237.00  |
| Personal Rate + Adult dependent (under 66) | €393.60  |
| Widow / Widowers under 66 | €203.00  |
| Invalidity Pension | |
| Personal Rate (65 and under) | €208.50  |
| Personal Rate + Adult dependent | €357.40  |

| Other Benefits | March 2019 |
|-------------------------------------|---|
| Disability Allowance | |
| Personal Rate | €203.00  |
| Personal Rate + Adult dependent | €337.70  |
| Illness Benefit | |
| Personal Rate | €203.00  |
| Personal Rate + Adult dependent | €337.70  |
| Increase for Qualified Child | |
| Children under 12 | €34.00  |
| Children over 12 | €37.00  |
| Child Benefit | |
| Rate per child | €140.00 - |

For more information see www.welfare.ie



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BUDGET 2019

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Irish Life Assurance plc is regulated by the Central Bank of Ireland.